



# Spatial Economics Research Centre

Tuesday, 24 January 2012

## Cities Outlook 2012

Centre for Cities published their latest [City Outlook yesterday](#). As usual, it make for an interesting read. The headline finding is the way in which the recession is reinforcing existing disparities: successful cities continue to do relatively well, less successful cities do worse (all of this, of course, is relative against a background of poor economic growth).

As I have discussed before, much of this can be understood by [looking at the underlying structure of places](#) - particularly in terms of skills. Centre for Cities like to argue that this makes for a more complex picture than a north-south divide. I see the point, and there is some variation within regions (e.g. York does relatively well) but I still think the broad north-south divide is pretty clear. You can judge for yourself by taking a look at the very useful maps provided in the report.

The marked difference in city's youth unemployment rates identified in the report are a little more of a puzzle - although it's not clear to me the extent to which these persist if one were to control for underlying differences in skill levels. If city differences are not just structural, Centre for Cities argues that this makes the case for local variation in labour market policy. While supportive of much of the localism agenda, I have to say that I remain to be convinced on this particular aspect of it. It's not clear to me why individual level interventions are not the appropriate level at which to conduct most labour market policy. Centre for Cities suggest, for example, that in some places language might be a specific barrier. But presumably this is only because of a concentration of people with language problems. Individual level policies address that (and have the benefit of still addressing language issues for people who have those difficulties but in areas where others don't). I guess there might be some scale aspects on the provision side resulting from concentration of workers with specific characteristics, but it's not clear the extent to which that benefit of localising policy would offset the other disadvantages. As I say, I remain to be convinced.

There's plenty more in there to digest, but that will have to wait for a later date.

Posted by [Prof Henry G. Overman](#) on [Tuesday, January 24, 2012](#)

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